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SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

Date: April 16, 2007

Patricia Van Gerpen, Executive Director Public Utilities Commission 500 East Capitol Pierre, SD 57501

Dear Ms. Van Gerpen:

We have received a request for service to a home from James Fousek located in Lot A, W.J. Bertram 1st Addn. in Government Lot 6, in the Northwest Quarter (NW ½) of Section Thirty One (31), Township Ninety-eight North (98N), Range Sixty-three West (63W), Charles Mix County, South Dakota.

After discussing this with Mr. Ken VanZee, Manager of Douglas Electric, and Mr. Fousek we have concluded it would be in the best interest of all parties if Douglas Electric would serve this account. The balance of this section, in Charles Mix County, would remain as Charles Mix Electric's service territory, unless transferred by a separate agreement.

The parties have enclosed an agreement to transfer Lot A, W.J. Bertram 1st Addn. in Government Lot 6 from Charles Mix Electric's certified territory to Douglas Electric's certified territory.

Enclosed is a copy of a letter from Mr. Fousek.

If you have any questions, you may contact us at:

Charles Mix Electric

Douglas Electric

James Fousek

Mark Mengenhauser, Mgr.

Ken VanZee, Mgr.

P.O. Box 10

P.O. Box 370

Lake Andes, SD 57356

Armour, SD 57313

605-487-7321

Annoui, SD 373

Armour, SD 57313

605-724-2323 605-724-

We appreciate your consideration of this matter.

Mark W. Mengenkaen

Sincerely yours,

Mark Mengenhauser

Manager

MWM:gaf

Encl.

Cc: Douglas Electric James Fousek Date: March 19, 2007

TO WHOM IT MAY CONCERN:

I have requested service to a new home in Lot A, W.J. Bertram 1st Addn. in Government Lot 6 in the Northwest Quarter (NW 1/4) of Section Thirty-one (31), Township Ninety-eight North (98N), Range Sixty-three West (63W), Charles Mix County, South Dakota. I have been in contact with both Charles Mix Electric Association, Inc., and Douglas Electric Cooperative, Inc., concerning service to this location. It is my understanding that this location is presently in Charles Mix Electric's certified territory and Charles Mix Electric is willing to have the aforementioned property transferred into Douglas Electric's certified territory.

I do not have any concerns with this transfer.

Signed:

James Fousek

LETTER OF UNDERSTANDING BETWEEN CHARLES MIX ELECTRIC ASSOCIATION, INC. AND DOUGLAS ELECTRIC COOPERATIVE, INC.

TO WHOM IT MAY CONCERN:

Charles Mix Electric Association, Inc., P.O. Box 10, Lake Andes, South Dakota and Douglas Electric Cooperative, Inc., P.O. Box 370, Armour, South Dakota, do hereby enter into an Agreement for Douglas Electric Cooperative, Inc., to serve an area within Charles Mix Electric's service area.

Whereas James Fousek has requested Charles Mix Electric to provide service to Lot A, W.J. Bertram 1st Addn. in Government Lot 6, within the Northwest Quarter (NW ¼) of Section Thirty One (31), Township Ninety-eight North (98N), Range Sixty-three West (63W), Charles Mix County, South Dakota, and hereinafter described location, and

Whereas said area is within the service area of Charles Mix Electric, and

Whereas because of the distance to it's existing electric distribution lines, it would be impractical for Charles Mix Electric to provide such service, and

Whereas Douglas Electric presently owns distribution lines in close proximity to the following described real estate, and is able to serve the same in an economical and reliable manner, and

Whereas Charles Mix Electric and Douglas Electric have mutually agreed that it would avoid unnecessary duplication of facilities, promote efficient and economical use and development of the electrical systems of the contract utilities, and be the most economical and convenient method for providing electrical service to the following location, for Douglas Electric to provide such service,

Now, therefore, it is agreed:

Douglas Electric Cooperative, Inc., shall provide service to the location described as follows:

Lot A, W.J. Bertram 1st Addn. in Government Lot 6 in the Northwest Quarter (NW 1/4) of Section Thirty One (31), Township Ninety-eight North (98N), Range Sixty-three West (63W), Charles Mix County, South Dakota.

That said area shall be transferred from the service area of Charles Mix Electric Association, Inc., to Douglas Electric Cooperative, Inc.

This letter of understanding will be provided to the affected customer and filed with the Public Utilities Commission for their approval and action following execution thereof by the parties.

That area is described as shown on the attached map, being the area shaded with diagonal shading, on the attached hereto and to which reference is made for the purpose of incorporating the same herein by reference.

Date: ムー/し・り

Charles Mix Electric Association, Inc.

By: President

ATTEST:

Secretary

(Corporate Seal)

DOUGLAS ELECTRIC COOPERATIVE, INC.

I, Ervin Fink, President of Douglas Electric Cooperative, Inc., do hereby certify that I am authorized to execute the foregoing Letter of Understanding by the Board of Directors in a general meeting on the 27 day of 2007.

Date: 3 - 27 - 2007

Douglas Electric Cooperative, Inc.

President

TTFST.

Sécretar*y*/

(Corporate Seal)